



PUBLIC NOTICE

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Report No. SCL-00228S

Friday November 16, 2018

Streamlined Submarine Cable Landing License Applications Accepted For Filing

Unless otherwise specified, the following procedures apply to the applications listed below:

The applications listed below have been found, upon initial review, to be acceptable for filing and subject to the streamlined processing procedures set forth in section 1.767 of the Commission's rules, 47 C.F.R. § 1.767. Pursuant to the Submarine Cable Landing License Act, 47 U.S.C. §§ 34-39, and Executive Order No. 10530, reprinted as amended in 3 U.S.C. § 301, each applicant seeks: (a) the grant of a cable landing licensee; (b) the modification of a cable landing license; and/or (c) the assignment or transfer of control of an interest in a submarine cable landing license.

Pursuant to its decision in Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, FCC 01-332, 16 FCC Rcd 22167 (2001), and section 1.767 of the rules, the Commission will take action upon these applications within forty-five (45) days after release of this public notice, unless upon further examination an application is deemed ineligible for streamlined processing.

Ex parte communications between outside parties and Commission staff concerning these applications are permitted subject to the Commission's rules for "permit-but-disclose proceedings." See 47 C.F.R. § 1.1206. Filings relating to this application must be received within 14 days of this notice. Such filings will not necessarily result in an application being deemed ineligible for streamlined processing.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty). All applications listed are subject to further consideration and review, and may be returned and/or dismissed if not found to be in accordance with the Commission's rules, regulations, and other requirements.

Submarine Cable Landing License

Application filed by RTI Solutions, Inc. (RTI Solutions), RTI JGA Pte. Ltd. (RTI JGA), and RTI Connectivity Pte. Ltd. (RTI Connectivity) (the "Applicants") for a license to land and operate within the United States a non-common carrier fiber-optic submarine cable network connecting Guam and Japan, the Japan-Guam-Australia (JGA) North system (JGA North).

JGA North will be a high capacity digital fiber-optic cable system consisting of a single Guam to Japan segment with a total length of approximately 2,600 kilometers. The cable will have two fiber pairs, with a design capacity of a minimum of 12 terabits per second (Tbps) per fiber pair using current technology. It will have an initial lit capacity of 24 Tbps. The Applicants intend to commence commercial operation of the cable system in the fourth quarter of 2019.

Applicants state that JGA North will provide critical new and replacement where capacity demand is increasing substantially each year and where a number of cable systems are nearing the ends of their useful lives. Further, they state that the new cable landing station at Minami-Boso, Japan, will provide additional geographical diversity for U.S.-Japan traffic currently landing at KDDI's Chikura cable landing station (Unity, FASTER) and SoftBank's Maruyama cable landing station (Japan-US, Australia-Japan, Jupiter).

JGA North will be separately owned and operated from the planned JGA South system, a consortium cable system connecting Guam and Australia. The owners of JGA South will seek a separate cable landing license from the Commission.

RTI JGA will own the entire wet segment of the JGA North cable, including those portions of JGA North's wet segment in the U.S. territorial sea extending from Piti, Guam, as well as those portions in the Japan territorial sea extending from Minami-Boso, Japan. RTI Connectivity will control the wet segment of JGA North in its role as Asset Manager of RTI JGA. RTI Connectivity was appointed RTI JGA's Asset Manager through an Asset Management Agreement between the two companies, and under the agreement RTI Connectivity may not be removed except for cause or in the event RTI Connectivity's majority shareholder, Mr. Russ Matulich, holds less than a 50-percent interest in RTI Connectivity.

RTI Solutions will be the U.S. landing party and control the Piti, Guam, cable landing station arrangements under a contract with the cable station landing owner, Gateway Network Connections, Inc. (GNC), a Guam company. GNC will be 51% owned by Asia Connectivity Elements Pte. Ltd. (ACE), a Singapore company, and 49% owned by Teleguam Holdings, LLC (GTA), a Guam company. ACE is owned 50 percent by Mr. Russell Matulich and 50 percent by Mr. Choo Wee Tiong, a Singapore citizen and Senior Vice President of RTI Solutions. NTT Communications, a publicly-listed Japan company, will own and control the cable landing station at Minami-Boso, Japan.

The Applicants request a waiver of section 1.767(h)(1) of the Commission's rules which requires that "any entity that owns or controls a cable landing station in the United States" shall be applicants for, and licensees on, a cable landing license." 47 CFR § 1.767(h)(1). According to the Applicants, GNC, the owner of the Piti, Guam, cable landing station, will not be able to affect significantly the operation of JGA North, and it is not necessary for GNC to be a joint applicant to ensure compliance with the Cable Landing License Act, the Commission's cable landing rules, or the terms of the cable landing license. Applicants state RTI Solutions will contract with GNC for the provision of certain limited services and will enter into long-term leases for collocation space for power feed equipment for the Guam cable landing station. RTI Solutions will retain operational authority over the JGA North landing facilities and provide direction to GNC in all matters relating to JGA North. Further, RTI Solutions will seek to ensure that all IRU and lease agreements will have initial terms, with extension options at RTI Solutions' sole discretion, for a total of 25 years each, coextensive with the term of the cable landing license.

The Applicants propose to operate the JGA North system on a non-common carrier basis. They state that they will not sell capacity indifferently to the user public, but instead will sell bulk capacity to particular carrier and enterprise customers pursuant to individually-negotiated infeasible rights of use (IRUs) and capacity leases, the terms of which will vary depending on the characteristics and needs of the particular capacity purchaser. Applicants also state that the cable system will compete vigorously with established submarine cable operators (AT&T, Tata) and with submarine cable systems (TGN Pacific, Goki, Australia-Japan) on the U.S.-Japan route.

RTI Solutions, a California company, has the following 10-percent-or-greater direct or indirect voting and equity interest holders: (1) Mr. Russell Matulich, a U.S. citizen (16.4% voting and 16.4% equity interest); (2) Mr. Brian Mass, a U.S. citizen (14.5% voting and 14.5% equity interest); (3) Mr. Christopher Brungardt, a U.S. citizen (10% voting and 10% equity interest); (4) LSF Capital Pte. Ltd., a Singapore company (35% voting and 35% equity interest); and (5) Datuk Lim Soon Foo, a Malaysia company (75% voting and 75% equity interest in LSF Capital Pte. Ltd.). The remaining voting and equity interests in RTI Solutions are held by individuals, none of whom has a 10-percent-or-greater interest.

RTI JGA, a Singapore company, has the following 10-percent-or-greater direct or indirect voting and equity interest holders: (1) Fund Corporation for the Overseas Development of Japan's ICT and Postal Services, Inc. (JICT), a Japan company (37.5% voting and 37.5% equity through its ownership of 100% of JGA Class A Preferred Shares). JICT is 50% owned and controlled by the Japanese Ministry of Finance, with the remaining voting and equity interests of JICT held by 21 Japanese companies, none of which has a 10-percent-or-greater voting or equity interest in RTI JGA; (2) NEC Corporation (NEC), a publicly-traded Japan company with no 10%-or-greater shareholders (37.5% equity interest in RTI JGA through its ownership of 100% of JGA Class B Preferred Shares); (3) Mr. Russell Matulich, a U.S. citizen (16.7% equity interest through his ownership of 51% of JGA Class C shares); (4) The RTI JGA Share Trust (RTI JGA Trust), a Singapore company that serves as a Trust for RTI JGA equity interest holders (owns one ordinary share of RTI JGA); (5) Singapore Trust Company Pte. Ltd. (STC), a Singapore company that serves as Trustee of the RTI JGA Trust; (6) STC Group Ltd., a British Virgin Islands company (100% voting and 100% equity interest in STC); (7) Mr. Tan Boon Aun Rudy, a Singapore citizen (20% voting and 20% equity interest in STC Group); (8) Ocorian Limited (Ocorian), a Bailiwick of Jersey company (80% voting and 80% equity interest in STC); (9) Inflexion Supplemental Fund IV (No. 1) LP (Inflexion Supplemental), a Guernsey company (16% voting and 16% equity interest in Ocorian); and (10) Inflexion Buyout Fund IV (No. 1) LP (Inflexion No. 1), a Guernsey company (29% voting and 29% equity interest in Ocorian). Inflexion Supplement and Inflexion Buyout have no controlling interest shareholders. No other entity or individuals hold a 10-percent-or-greater voting or equity interest in RTI JGA.

RTI Connectivity, a Singapore company, has the following 10-percent-or-greater direct or indirect voting and equity interest holders: Mr. Russell Matulich holds a 99% voting and equity interest in RTI Connectivity.

Applicants agree to abide by the routine conditions specified in section 1.767(g) of the Commission's rules, 47 CFR § 1.767(g).

REMINDERS:

Applicants must certify that neither the applicant nor any party to the application is subject to a denial of federal benefits by federal and/or state courts under authority granted in 21 U.S.C. § 862. See C.F.R. §§ 1.2001-1.2003.

By this notice, we inform the public that submarine cable landing license applications that are part of larger transactions involving multiple Commission licenses or authorizations may involve "extraordinary circumstances" as referenced in Review of Commission Consideration of Applications under the Cable Landing License Act, Report and Order, 16 FCC Rcd 22167 (2001) and Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997), paras. 327-28, Order on Reconsideration, 15 FCC Rcd 18158 (2000). Additionally, extraordinary circumstances result where Executive Branch agencies petition the Commission to defer action on an application pending the resolution of potential national security, law enforcement, foreign policy and trade policy issues. Accordingly, these applications may be removed from streamlined processing and may not be acted on within the 90-day review period that the Commission has established as the period of time normally required to reach a decision on non-streamlined cable landing licenses. This notice shall serve as public notice to applicants that, in these circumstances, additional time may be required for Commission review and final action. No additional formal public notice will be provided routinely with respect to specific applications in the event that the applicable review period extends beyond 90 days.